

CITY OF ALBUQUERQUE FY/04 OPERATING BUDGET

PREFACE

This is Volume I of a two volume series on Albuquerque's General Fund FY/04 Proposed Budget. Volume I is the Financial Plan and Volume II is the Performance Plan. These documents together are the second of a two-segment process to prepare Albuquerque's annual operating budget. This segment contains the executive budget proposal for the General Fund, Transit, and several special revenue, internal service, debt service and project funds.

The City Charter requires an operating budget to be formulated annually by the Mayor in consultation with the City Council. The budget process is divided into two parts. The first two-volume set, comprised of a financial plan and a performance plan for the five enterprise operating funds, one special revenue fund, and five debt service funds, was sent to Council on March 1. The balance is delivered on April 1. Council holds at least three public hearings and approves the budget as proposed or amends and approves it within 60 days.

Appropriations are at a program strategy level, the level at which expenditures may not legally exceed appropriations. Budgetary control is maintained by a formal appropriation and encumbrance system. The Mayor has authority to move program strategy appropriations by the lesser of five percent or \$100 thousand, provided the fund appropriation does not change. Appropriations may be made or modified during the year by a legally adopted resolution. With the exception of project funds, appropriations revert to fund balance to the extent they have not been expended or encumbered at fiscal year end.

Budget data is prepared consistent with the City's basis of accounting. Governmental funds, expendable trust funds, and agency funds utilize the modified accrual basis of accounting, while enterprise, pension trust, and nonexpendable trust funds are on an accrual basis. Transactions are recorded in individual funds and each is treated as a separate entity.

Albuquerque provides traditional services such as public safety, culture and recreation, public works, highways and streets, water and sewer services and refuse collection. In addition, the City operates parking facilities, a transit system, a major airport, correction and detention facilities and a housing program. Volume I, the Financial Plan, contains a summary of funding issues by department, goal, and program strategy for all operating funds not previously submitted.

Volume II, the Performance Plan, contains detailed information on the purpose of strategies and key initiatives in the upcoming year. It includes information down through individual service activity levels, and the measurements required for a performance based budgeting system.

The Financial Plan, Volume I, has seven major sections. The **Executive Summary** is designed as an overview. This section discusses the policies underlying the budget proposal.

The **Consolidated Tables** section presents an elimination of interfund transactions in order to provide an accurate picture of the budget as a whole. Total proposed revenues and appropriations for all funds, including those presented in March are included in the consolidation tables.

The section on **General Fund Revenues** contains detailed information on the projected revenues, proposed fee increases and economic issues to be addressed in the coming year.

Department Summaries follow containing financial information and other pertinent information on a department basis by goal and at the program strategy level. The Fund Balance Tables or Working Capital Tables, where appropriate, are presented with estimated ending balances. These tables provide the detailed information for the consolidated tables in the Executive Summary.

Bonded Indebtedness and the **Appendix** complete the supporting budget documentation. The **Appendix** contains information that is useful to prepare or understand the budget, including definitions, a schedule of the functional grouping of funds and departments, and a budget calendar. There is also a brief explanation of the methodology used in budget preparation.

The **Appropriations Act** section is a copy of the legislation that is submitted to the Council along with this document. It must be passed as submitted or amended and passed by City Council and approved by the Mayor before the budget becomes law.